

THE COMMONWEALTH GROWS

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Agricultural Development Board Investment

The Kentucky Agricultural Development Board will invest monies from the Kentucky Agricultural Development Fund in innovative proposals that increase net farm income and affect tobacco farmers, tobacco-impacted communities, and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.

THE STATE EMBARKS UPON LONG-TERM PLANNING FOR AGRICULTURAL DEVELOPMENT

BY EXECUTIVE DIRECTOR JOHN-MARK HACK

The General Assembly gave the Agricultural Development Board specific responsibilities when they, under the leadership of Governor Patton, created the Agricultural Development Fund. One of the most important tasks is the development of a long-term plan to best utilize the largest public investment in agricultural diversification and development ever in the world. As Kentucky's agricultural community ponders its future, it is imperative that those families most heavily impacted by long-term plans for agricultural development have ample opportunity to provide input and feedback during the planning process.

We are relying on past efforts to plan for the future of agriculture. We are also relying heavily on the county-level planning efforts conducted by Agricultural Development Councils across the Commonwealth in recent months. In June, our office conducted 11 regional planning meetings across the state. On July 10-11, Governor Patton hosted a meeting to ponder the issues from a statewide perspective. All of these efforts are critical parts of our planning process.



Over the next few months, we will work aggressively to fulfill our statutory obligation to develop a long-term plan by compiling the data and results of all county, regional and state planning efforts. But we need your individual help too. *Please send us your thoughts in writing on what you believe should be Kentucky's agricultural and rural future.* We are all in this together. The stakes have never been higher. Working together we can create a future in which *The Commonwealth Grows*.

GUIDING PRINCIPLES OF THE AGRICULTURAL DEVELOPMENT BOARD

The following statements represent the Agricultural Development Board's initial principles for investment and are provided for consideration by applicants in the process of proposal development:

The Board cannot solve all the problems or take advantage of all opportunities presented to it at once.

The Board should invest in programs on a pilot basis to prove or disprove the advisability of promoting a particular program statewide.

The Board should focus on facilitating success in areas with the potential to reach the most farmers.

Pilot programs should be large enough to be commercially viable. The emphasis must be on doing what we do well.

The Board believes that clusters of a particular activity large enough to be economically viable and support the infrastructure necessary for the success of the program offers the best opportunity to develop new or better self-sustaining agriculture activity.

The Board believes that farmer-owned cooperatives will be an important vehicle to promote and sustain new and/or improved farm activity.

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Meet Kentucky Agricultural Development Board Member Vickie Yates Brown



Vickie Yates Brown is part of a long family tradition of farming in Kentucky. Growing up on a farm in Spencer County, Vickie actively participated in helping the family with dairy, tobacco, grain, and soybean production. She also helped raise beef cattle and a few sheep. Vickie remembers that, "Growing up on a farm we had to be involved."

Although she has left the farm to pursue her legal career, she is still very aware of agricultural issues in the state and their impact on her family. Vickie owns her own small farm next to the family farm in an area faced with the same concerns as many families around the state. As Louisville develops and expands, there is the concern about how development and zoning will affect their farming community. And as the price of certain commodities makes their production unprofitable, there is the concern about what types of alternatives are available to farmers. (See Page 3)

PROJECT SPOTLIGHT: THE ALLEN COUNTY BEEKEEPERS ASSOCIATION

The Allen County Beekeepers Association created a beekeeping project that was approved for funding by the Kentucky Agricultural Development Board. While beekeeping may not be seen as a traditional agricultural activity, the Association hopes that view will change along with the changing agricultural landscape in Kentucky. As many people look to alterna-



tives to tobacco, they will turn to producing new crops. The Association hopes to find its own niche in agriculture through caring for and marketing bees to assist these other farmers. They believe that a redefinition of agriculture is necessary, one that recognizes the role of bees in farming.

There are many fruits and vegetables that can benefit from the crop pollination that bees provide including blueberries, soybeans, alfalfa, apples, squash, and watermelons. Some types of produce, such as cantaloupes, are not able to self-pollinate and producers can use bees to assist in their pollination. Association Secretary Steve Meador, speaking about the need for bees, said, "To get your crop yields you need pollination." The Association is working to build up their bee-hives for a twofold

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PROJECTS RECEIVE FUNDING FROM THE KENTUCKY AGRICULTURAL DEVELOPMENT BOARD

The Kentucky Agricultural Development Board has approved \$14,412,693 of state funds and \$5,158,950 of county funds for projects that will show the potential of Kentucky producers. These projects meet the required guidelines as set forth in the guiding principles and the investment philosophy of the Board.

The money comes from the Phase I settlement funds to tobacco producing states and has been designated through House Bill 611 to be used to improve the agricultural situa-

tion of Kentucky. Counties compile and submit applications for funding of their agricultural development projects. The county councils should be reviewing applications and evaluating how they fit into county priorities. The applications are then sent to the Agricultural Development Board for review. The Board hopes to receive more projects from the counties.

A complete listing of the criteria and House Bill 611 is available on the website at www.kyagpolicy.com.

KCADE CORNER: THE KENTUCKY CENTER FOR AGRICULTURAL DEVELOPMENT AND ENTREPRENEURSHIP BEGINS TAILGATE GATHERINGS

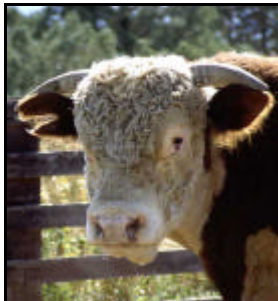
The Kentucky Center for Agricultural Development and Entrepreneurship, KCADE, was created to help project applicants develop successful business plans and market strategies. KCADE has staff to coordinate and develop projects that add to farmer income by improving the agricultural processing and marketing structure in Kentucky. As part of that process, KCADE will host Tailgate Gatherings to examine the choices opened to Kentucky farmers by the tobacco settlement fund. KCADE intends to bring in

several people who understand these issues to examine markets, technologies, and organizations that can help Kentucky farmers adjust to the changing agricultural scene. These meetings will occur once a month for the next year. They will be videotaped by Kentucky State University and tapes will be available to all Kentucky farmers through KCADE. The first meeting presenting soybean extrusion is restricted because of size limitations but future meeting locations will be announced.

BOARD APPROVES CATTLE HANDLING FACILITIES PROGRAM

BY DAVID BRATCHER

On June 15 the Kentucky Agricultural Development Board approved a model program for counties wanting to assist in the costs of cattle handling. As stated in the program goals, improved cattle handling will allow for best management and health practices and thus augment efficient production and marketing opportunities.



The program provides for 50-50 cost share to reimburse for material costs in five broad areas: Handling facilities for beef cattle

- Holding pens/lots for mature bulls
- Pens for weaning calves
- Handling facilities for dairy cattle
- Shared-use equipment for cattle handling

The list of items eligible for reimbursement under each component is fairly broad, but does exclude perimeter fencing. Minimum beef

herd size is 10 mature cows, or 35 cattle if back-grounding, while minimum dairy herd size is 40 milking cows or 20 dairy heifers. Reimbursement can equal up to 50% of costs, not to exceed \$1,000 per producer in each of the three areas related to beef cattle. If the producer agrees to participate in CPH45 the maximum reimbursement in any of those three areas can equal \$5,000. In no case, however, will any farm operation receive more than \$5,000. For dairy handling facilities, the maximum reimbursement is 50% not to exceed \$3,000.

As with the other model programs in cattle genetics and forage improvement, a local applicant will be responsible for implementing the program and disbursing matching funds to local producers. Guidelines for the program can be found at www.kyagpolicy.com.

Vickie Yates Brown Continued From Page Two

Vickie looks forward to participating as a member of the Board because she is pleased with the direction that Governor Paul Patton has given to the Board, keeping it focused on farms. She is supportive of the vision of the Board in the attempt to use the settlement money in a systematic fashion to help farmers. She admits, "We've really got our work cut out." Yet she is hopeful about the possibilities for agricultural development around the state.

Vickie believes that she will be able to contribute her ideas to the Agricultural Development Board because of her experience in agriculture as well as her experience outside of agriculture. She said, "I'll be able to add a component to the Board having had an agricultural background, leaving the farm, wanting to go back, and having that perspective."

PROJECT SPOTLIGHT CONTINUED FROM PAGE TWO

purpose. They hope to be able to rent them out to farmers for assistance in pollination. They also want to increase their honey production and work to create a Kentucky product that is recognized.

Although most members of the Association did not begin as beekeeping specialists, they have become experts in their field. They have learned more about beekeeping through classes, books, hands on experience, and meetings with experts such as the State Api-

ary Inspector Phil Craft. The members will use their knowledge not only to assist farmers around the state, they will also collect information to be used as a teaching tool for high school students in the hopes of creating an interest in beekeeping.

The Association hopes that its project will flourish in the long-term, assisting farmers in production, sustaining beekeepers in agricultural pursuits, and encouraging young people to become involved in beekeeping.

GUIDING PRINCIPLES CONTINUED FROM PAGE ONE

The Board will consider proposals submitted by individuals that have high potential for growth and potential to include other farmers in the future.

An emphasis for county programs should be the support of on-farm investment consistent with priority areas designated by state and county comprehensive agricultural development plans.

Counties should be encouraged during the planning process to consider plans that generally follow the Investment Philosophy.

The Board may provide some support for on-farm investments in cooperation with a county council.

The object of the Board is to develop self-sustaining programs. Therefore, the Board will not support long-term subsidy of production.

The Board prefers capital investments. However, the Board will consider temporarily subsidizing operating costs provided the business plan provides for the phase out of the subsidy.

The Board believes that processing, storing, and marketing new products is the area where the farmer needs a substantial amount of help on a start-up basis, but business plans must provide for the eventual elimination of assistance in these areas.

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INTERVIEW WITH COUNTY COUNCIL MEMBER AND LONG-TERM PLANNING PARTICIPANT BETH TILLERY

Not everyone with agricultural experience started out on the family farm. Beth Tillery grew up in an urban area of northern Kentucky. Beth remembers that she had "always admired farmers" and thought that they "are responsible for the strength of our nation." This belief, along with an opportunity to work on the Eastern Kentucky University farm, prompted her to earn a degree in dairy herd management and to look into farming as a career and a lifestyle.

When she married Doug Tillery and bought the family farm, Beth quickly learned that many farmers were not seeing huge profits even though there was a large demand for their products. She has also seen first hand how the changes in agriculture, such as the tobacco loss, hurt an entire community; the farmers, the stores, and the feed suppliers all feel the effects. Yet she is encouraged by the potential of the Phase I process to deal with these problems.

She said, "It's the first time that farmers have been asked to participate in their future." Through the county councils and the regional long-term planning meetings, farmers are taking pride in the ability to have ownership of the process and it has allowed their ideas to flourish. In her community, Beth has seen that, "The Phase I process has done good things."

As a member of the Jackson County Council, Beth knows "There's a lot being worked on right now." She takes her role seriously and believes that it is important to find ways for family farms to survive. Looking for how this can be done, Beth suggests, "There is a market in Kentucky, let's utilize that." Ultimately, Beth believes that, "There's got to be a start somewhere to see the profit," and successful Phase I projects might be a way to facilitate that change.